

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**

MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING

AUGUST 20, 2007

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The August meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at 4:40 p.m., Monday, August 20, 2007. The meeting was conducted in the boardroom of the PSRSSTL office building at 3641 Olive Street, St. Louis, Missouri. Paulette McKinney, Chairperson of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees Joseph Clark, Katie Lamb, Katha McKinney, Paulette McKinney, Veronica O'Brien, Lois Jean Turner and Cynthia Warren were present. The Board of Trustees had a quorum at the meeting. Trustees Christina Bennett and Marlene Davis joined the meeting in progress.

Executive Director, Andrew Clark, Accounting Specialist, Marty Winters, PSRSSTL Attorney, Jeff Hartnett, PSRSSTL Actuary, Jim Rubie, and a large number of interested parties were also in attendance.

The Chairperson reviewed the Order of Business for the Trustees. The Chairperson made a motion, seconded by Katha McKinney, to move the Report of the Chairperson to the first item on the Order of Business. By voice, motion carried.

II. REPORT OF THE CHAIRPERSON

The Chairperson recognized Trustee Louis Cross who completed his term on July 31, 2007. The Chairperson then recognized Trustee Lois Jean Turner whom will complete her term on September 30, 2007. The Chairperson recognized the Trustees by reading a plaque presented to each of them for their dedicated service to the members and Board of Trustees. Trustees Lois Jean Turner and Louis Cross made comments by thanking the Board of Trustees and members for allowing them to serve. There was a brief celebration where refreshments were provided to the Trustees and all those in attendance. The Chairperson brought the meeting back to order by continuing with the Order of Business.

III. APPROVAL OF MINUTES OF LAST MEETING

Lois Jean Turner made a motion, seconded by Katha McKinney, to approve the minutes of the Board of Trustees Regular Meeting of June 18, 2007.

A roll call vote was taken.

| | | | | | |
|-------------------|-----|-------------------|-----|------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Katie Lamb | Yes |
| Katha McKinney | Yes | Paulette McKinney | Yes | Veronica O'Brien | Yes |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With eight yes votes, motion carried.

Cynthia Warren made a motion, seconded by Katha McKinney, to approve the minutes of the Special Board of Trustees Meeting of July 2, 2007.

A roll call vote was taken.

| | | | | | |
|-------------------|-----|-------------------|-----|------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Katie Lamb | Yes |
| Katha McKinney | Yes | Paulette McKinney | Yes | Veronica O'Brien | Yes |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With eight yes votes, motion carried.

IV. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

V. PRESENTATIONS BY INTERESTED PARTIES

Thomas L. Mines, with no current relationship to PSRSSTL, made an extended presentation on retiree health insurance including the history of Thomas C. Mines & Associates and Arch Brokerage with the Retirement System, the suggestion of voluntary long-term care insurance for retirees, and suggestions for cost saving insurance plans. Retiree Jacqueline G. Dyer read a letter addressed to the Executive Director and Trustees regarding legislation passed that allows the Retirement System to grant a COLA to retirees.

VI. CONSENT AGENDA

Lois Jean Turner made a motion, seconded by Katha McKinney, to approve the Retirements and Benefits for June and July 2007. There was discussion on the determination of member eligibility.

A roll call vote was taken.

| | | | | | |
|-------------------|-----|-------------------|-----|------------------|---------|
| Christina Bennett | Yes | Joseph Clark | Yes | Katie Lamb | Yes |
| Katha McKinney | Yes | Paulette McKinney | Yes | Veronica O'Brien | Abstain |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With seven yes votes, and one abstention, motion carried.

Lois Jean Turner made a motion, seconded by Christina Bennett, to approve the Refunds and Bills for June and July 2007. There was discussion on the expenses and budget for the office building.

| | | | | | |
|-------------------|-----|-------------------|-----|------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Katie Lamb | Yes |
| Katha McKinney | Yes | Paulette McKinney | Yes | Veronica O'Brien | Yes |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With eight yes votes, motion carried.

VII. UNFINISHED BUSINESS

Lois Jean Turner made a Final Report by reading a memo dated August 20, 2007. Trustee Turner reported on the health insurance subsidy for retirees, COLAs, long-term care insurance, health insurance premiums for retirees, Order of Business Item IX, alternating committee meetings in months where there is no

regular meeting, Rules and Regulations: Chapter 15, employee salaries, and the use of the building by retirees. Trustee Turner concluded by asking the Board of Trustees to consider these issues.

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director made the report by reading a memo to the Board of Trustees dated August 20, 2007. The Executive Director reported on the hiring process of the Customer Service Representative, the Auditing Services RFP, Trustee elections, the COLA for 2007, health insurance broker activities and Trustee travel. There was discussion on Trustee elections and vacancies.

The Executive Director introduced the Technology Manager, Tom Kinealy, for a demonstration and report on the new computer system. The Technology Manager provided an extensive computer system demonstration and report to the Board of Trustees. The Executive Director concluded the report by thanking the Technology Manager for the demonstration and report, and by emphasizing the relational nature of the new computer system and its user-friendliness.

IX. REPORT OF THE INVESTMENT CONSULTANT

None

X. REPORT OF THE ACTUARY

None

XI. REPORTS OF THE COMMITTEES OF THE BOARD

The Chair asked for reports from the Chairs of the various committees of the Board of Trustees.

Benefits Committee

None

Budget Committee

None

Investment Committee

Marlene Davis, Chair of the Investment Committee, reported on the Investment Committee meetings of June 21, 2007, and August 16, 2007. The Chair reported on the training on portable alpha investments, performance of the fund during the 2007 Second Quarter, that a diversified investment policy has helped to maintain a healthy fund, that the fund continues to grow while paying benefits and expenses, and a conversation by the Trustees at the NASP conference regarding community investing. There was discussion on implementing a minority investment policy as part of the diversification of the fund. The Chair suggested that the Order of Business be adjusted to remove the Report of the Investment Consultant. The Chairperson clarified that it would take a rule change to accomplish the adjustment.

Personnel & Professional Committee

None

Rules & Regulations Committee

There was no report. There was discussion on several items that need to be addressed in a future committee meeting such as facility use, the Order of Business and the Trustee election process. There was discussion lead by the Attorney regarding a lobbyist. The Chairperson stated that each Trustee has a responsibility to read and understand the state statutes, rules and regulations of the Retirement System.

Trustee Travel Commission

None

XII. NEW BUSINESS

Katha McKinney reminded the Board of Trustees that she sits on the Resolutions Committee for the National Council on Teacher Retirement, and that she will be attending a committee meeting in Denver, Colorado. Ms. McKinney requested an advance for transportation expenses and per diem for the committee meeting that will be reimbursed by the National Council on Teacher Retirement after the meeting.

Lois Jean Turner made a motion, seconded by Veronica O'Brien, to advance Katha McKinney transportation expenses and per diem for the NCTR committee meeting.

| | | | | | |
|-------------------|-----|------------------|-----|-------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Marlene Davis | Yes |
| Katie Lamb | Yes | Katha McKinney | Yes | Paulette McKinney | Yes |
| Veronica O'Brien | Yes | Lois Jean Turner | Yes | Cynthia Warren | Yes |

With nine yes votes, motion carried.

There was discussion regarding the legislation passed that affects COLAs for retirees and a long-term care initiative by the governor.

The Chairperson announced the election for the Treasurer of the Board of Trustees.

The Chairperson opened the floor for nominations of a Treasurer. Lois Jean Turner nominated Joe Clark and Veronica O'Brien volunteered. There were no other nominations and the floor was closed. The Board of Trustees cast votes by written ballot and the results were six votes for Joe Clark, two votes for Veronica O'Brien, and one vote for Christina Bennett. Joe Clark was elected as the Treasurer of the Board of Trustees.

XIII. REPORT OF THE ATTORNEY

The Chairperson asked for motion to move into closed session. Christina Bennett made a motion, seconded by Cynthia Warren, to move into Executive Session.

| | | | | | |
|-------------------|--------|------------------|--------|-------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Absent | Marlene Davis | Yes |
| Katie Lamb | Yes | Katha McKinney | Yes | Paulette McKinney | Yes |
| Veronica O'Brien | Absent | Lois Jean Turner | Yes | Cynthia Warren | Yes |

With seven yes votes, and two absentees, motion carried, and the meeting moved into closed session at approximately 7:00 p.m. Veronica O'Brien left the meeting during closed session.

Christina Bennett made a motion, seconded by Cynthia Warren, to move out of Executive Session.

| | | | | | |
|-------------------|-----|----------------|-----|-------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Marlene Davis | Yes |
| Katie Lamb | Yes | Katha McKinney | Yes | Paulette McKinney | Yes |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With eight yes votes, motion carried, and the meeting moved into open session at approximately 7:10 p.m.

Christina Bennett made a motion, seconded by Joe Clark, to accept the recommendation made in closed session.

| | | | | | |
|-------------------|-----|----------------|-----|-------------------|-----|
| Christina Bennett | Yes | Joseph Clark | Yes | Marlene Davis | Yes |
| Katie Lamb | Yes | Katha McKinney | Yes | Paulette McKinney | Yes |
| Lois Jean Turner | Yes | Cynthia Warren | Yes | | |

With eight yes votes, motion carried.

There was discussion about the process for filling the position being vacated by the Accounting Specialist, Marty Winters. By consensus, the Trustees agreed to the hiring of a search firm and to advertise in the newspapers.

XIV. ADJOURNMENT

Christina Bennett made a motion, seconded by Katie Lamb, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 7:15 p.m.

Attachments:

- Document prepared by Thomas Mines dated August 20, 2007
- Letter from Jacqueline G. Dyer dated August 20, 2007, with response
- Retirements, Refunds & Bills Paid June and July 2007
- Final Report of Lois Jean Turner dated August 20, 2007
- Memo to the Board of Trustees from the Executive Director dated August 20, 2007